

CIA/OER/RP-75-12  
OUO

Approved For Release 2000/08/14 : CIA-RDP86T00608R000500220012-0

THE JAPANESE FISHING INDUSTRY  
APRIL 1975

01 of 01

FOR OFFICIAL USE ONLY

OIA/OER/RF - 75-12

THE JAPANESE FISHING INDUSTRY:  
PROSPECTS AND PROBLEMS

ER RP 75-12  
April 1975

Copy No. 61

THE JAPANESE FISHING INDUSTRY:  
PROSPECTS AND PROBLEMS

Summary

1. Japan is one of the world's leading fishing nations. Operating a fishing fleet of 1.2 million gross register tons (GRT), the Japanese lead the world in the amount of fish caught. Much of this catch is marketed in Japan, where more than one-half of the animal protein consumed is provided by fish and fish products. Average consumption in 1973 reached 150 pounds per person per year, compared with 40 pounds in the Soviet Union and only 12 pounds in the United States.

2. Japan's demand for fish cannot be met by its catch -- which reached 10.7 million metric tons in 1973 -- and increasing amounts are being imported, primarily from South Korea, Taiwan, the United States, Indonesia, and the Peoples Republic of China. Until 1971, Japan was a net exporter of fish; in 1974 imports reached a record \$1 billion, producing a net deficit of about \$500 million in the fishing account of the balance of trade.

3. The growth of the Japanese fishing industry will be slowed in the future as the result of conservation measures adopted by international commissions and individual nations. Restrictive regulations by coastal nations on fishing within 200 miles of their shores initially will have little impact on Japan, because it anticipates making bilateral arrangements with the Soviet Union and the United States, where most of its foreign fishing is currently done. In the long run, however, Japan will have to conclude a series of bilateral agreements with various less developed countries to gain access to new fishing grounds.

Note: Comments and queries regarding this publication are welcomed. They may be directed to [REDACTED] of the Office of Economic Research, Code 143, Extension 7931.

25X1A

25X1A

Discussion

Fish Consumption and Catch

4. Fish provide more than one-half of Japan's animal protein -- the highest proportion among the developed countries of the world (see Table 1).

Table 1

Fish Consumed, as a Share  
of Animal Protein

---

|               | Percent<br>of Total |
|---------------|---------------------|
| South Korea   | 74                  |
| Japan         | 56                  |
| Portugal      | 44                  |
| Norway        | 19                  |
| USSR          | 15                  |
| United States | 2                   |

Fish consumption in Japan exceeds 150 pounds per person a year, far ahead of the Soviet Union -- the world's second leading fishing nation -- where annual consumption equals about 40 pounds per person and the United States, where it is 12 pounds per person per year. The most popular fish consumed in Japan are yellow tail, tuna, and salmon, and the most popular shellfish are shrimp and crab. Cod and mackerel are frequently part of the diet of lower income groups.

5. The Japanese catch in 1973 was the world's largest. Nearly 10.7 million tons were harvested -- 16% of the world total -- up from 10.3 million tons in 1972 (see Table 2). Only the USSR, which operates the world's largest fishing fleet, catches nearly as much as the Japanese (see Table 3). The landed value of the Japanese catch in 1973 exceeded \$3 billion, while the retail value exceeded \$10 billion.

Table 2

Japanese Fish Catch, by Specie

|                    | Million Metric Tons |            |            |            |            |             |             |
|--------------------|---------------------|------------|------------|------------|------------|-------------|-------------|
|                    | 1967                | 1968       | 1969       | 1970       | 1971       | 1972        | 1973        |
| Total              | <u>7.9</u>          | <u>8.7</u> | <u>8.6</u> | <u>9.3</u> | <u>9.9</u> | <u>10.3</u> | <u>10.7</u> |
| Sea fish           | 5.7                 | 6.3        | 6.5        | 7.2        | 7.9        | 8.0         | 8.3         |
| Mackerel           | 0.7                 | 1.0        | 1.0        | 1.3        | 1.3        | 1.2         | 1.3         |
| Alaskan<br>pollack | 1.2                 | 1.6        | 1.9        | 2.3        | 2.7        | 3.0         | 3.3         |
| Mollusca           | 1.0                 | 1.2        | 1.0        | 0.9        | 0.9        | 1.0         | 1.1         |
| Sea cul-<br>tures  | 0.5                 | 0.5        | 0.5        | 0.6        | 0.6        | 0.6         | 0.7         |
| Other              | 0.7                 | 0.7        | 0.6        | 0.6        | 0.5        | 0.7         | 0.6         |

Table 3

Fish Catches<sup>1/</sup>  
1973

|               | Million<br>Metric Tons | Percent<br>of Total |
|---------------|------------------------|---------------------|
| World total   | <u>66.0</u>            | <u>100</u>          |
| Japan         | 10.7                   | 16                  |
| USSR          | 8.6                    | 13                  |
| China         | 7.6                    | 12                  |
| Norway        | 3.0                    | 5                   |
| United States | 2.7                    | 4                   |
| Peru          | 2.3                    | 3                   |
| Other         | 31.1                   | 47                  |

1. Including ocean fish, shellfish, sea mammals, and fresh water fish. Ocean fish constitute about 90% of the take.

6. Despite Japan's predominant position in world fishing, its fleet cannot meet the country's heavy demand for fish. Imports are growing as a result. Until 1971, Japan was a net exporter of fish and fish products. Since then, imports have increased rapidly. In 1974 they were nearly double the 1972 total and four times imports in 1970. Last year, imports of fish and fish products -- mainly shrimp, herring roe, and tuna -- reached a record \$1 billion, producing a net deficit of some \$500 million in the fishing portion of Japan's balance of trade. South Korea was the major supplier in 1974, providing 19% of Japanese fish imports, followed by Taiwan, Indonesia, and China, with about 9% each.

#### Fleet Size and Organization

7. The Japanese operate two distinct fishing fleets. One consists of some 350,000-400,000 small vessels, 20% of which are unpowered, that operate in coastal or inland waters and collect high-value species such as clams, shellfish, crabs, shrimp, and squid. These constitute a small portion of the total volume caught but represent about 40% of the retail value -- about \$4 billion.

8. The deep sea fishing fleet consists of about 3,200 vessels totaling 1.2 million GRT, the world's second largest, after the Soviet fleet, which totals about 4,400 vessels of 6.0 million GRT. About 75% of the Japanese catch, by weight, is taken by this fleet.

9. Most of the catch is marketed through some 3,000 fishing cooperatives established in fishing ports throughout the country. These cooperatives provide credit, processing, storage, and transportation services. Japan's processing and distribution facilities are among the world's most modern. Landed fish are sold to wholesalers who prepare them for shipment to cities or for immediate processing or freezing. Since one-half the catch is frozen, investment in freezing and processing plants has increased, and total capacity has more than doubled since the mid-1960s.

10. The Japanese fishing industry has some 225,000 firms, mainly small individual proprietorships that operate the 350,000-400,000 coastal vessels. Most of these small businesses are capital deficient and dependent on loans from banks -- at government subsidized rates -- or loans from the Agriculture Forestry Corporation, a government agency. About 200 larger organizations control the modern deep sea fishing fleet. The number of people engaged in fishing has declined during the past 20 years, owing to a reduction in the number of small businesses, and now totals about 500,000, compared with more than 700,000 in 1955.

11. The government also assists the industry through oceanographic research, fisheries education, port construction and improvement projects, and programs to improve local fishing grounds. In the international arena, Japan is a member of nearly all of the 20 or so international bodies that control fishing in various geographic areas. In these organizations, Tokyo seeks to gain access to prime fishing grounds and usually argues against stringent conservation proposals. On the national level, the Fisheries Association -- a private industry group -- often joins with the government to promote the industry at home and abroad through extensive lobbying and promotion efforts.

#### Areas of Operation and Jurisdictional Conflicts

12. About 90% of Japan's fish catch is taken within 200 miles of its own coast and those of the United States and Soviet Union. Although Japan has stepped up fishing operations in Southeast Asian waters and the Indian and Atlantic Oceans, fishing there remains limited and is not expected to contribute significantly to Japan's catch for some time.

13. Serious conflicts with Soviet fishermen in the waters north of Japan have been a long-standing irritant. Over the years, Soviet naval vessels have seized hundreds of Japanese fishing boats operating in these waters. Meetings regularly take place with the Soviets in an attempt to deal with the problem and allocate catch quotas.

Likewise, Tokyo meets regularly with Peking to discuss fishing problems. The government is anxious to conclude with China an agreement that would guarantee Japanese access to Chinese waters, since Peking is claiming a 200-mile economic zone.

14. Persistent difficulties also are encountered with the United States and Canada. Both countries are attempting to reduce Japanese operations off Alaska and the west coast of Canada, where large quantities of Alaskan pollack and salmon are caught. According to the United States and Canada, the pollack stock is being exhausted by overfishing and the salmon are being captured before returning to Alaskan rivers to spawn, thereby depleting stocks.

15. Coastal states are moving to impose restrictions on fishing within 200 miles of their shores under the auspices of the UN's ongoing Law of the Sea Conference. Japan believes it can cope with the 200-mile concept, primarily because both the Soviet Union and the United States will allow it to continue fishing off their coasts. In order to ameliorate coastal states, Japan is extending fisheries aid under such organizations as the Overseas Technical Cooperation Agency -- a governmental body -- which has bilateral and multilateral agreements with most developing countries in Southeast Asia and the Indian Ocean area. In addition, a joint government-business Overseas Fisheries Cooperation Foundation was established in 1973 to provide private credits and encourage economic and technical cooperation.

#### New Areas of Interest

16. In an attempt to avoid increased conservation measures being imposed by various international regulatory agencies, Tokyo is conducting ambitious programs to exploit the Antarctic. In this region, the Japanese are fishing and harvesting krill -- a shrimp-like shellfish -- which can be converted to a protein concentrate.



17. The Japanese are also the world's leaders in developing fish farming. To date, most of their efforts have been in raising high-value specialty fish -- such as yellow tail, a highly prized Japanese delicacy -- which are extremely costly. For example, 10 pounds of other fish are required to raise one pound of yellow tail.

#### Outlook

18. The rapid growth of the Japanese fishing industry probably will not continue. Government and industry recognize that there are limits to the fish catch. The global catch approached 70 million tons last year and is nearing the maximum sustainable level of about 100 million tons per year. Moreover, competition for this valuable resource is increasing, especially from developing countries.

19. The Japanese believe that they are bearing the brunt of various world conservation measures and are balking at international efforts to reduce their catch. Claiming that voluntary restraint by Japanese fishermen -- such as in the whaling industry -- has often been negated by increases in the fishing of others, they have publicly accused the USSR and South Korea of several international violations. They also have criticized the United States, claiming that Washington shows too much interest in conserving fish species that the Japanese normally catch but shows no interest in conserving the tuna caught in abundance by the US fleet.

20. Almost certainly, nations at the on-going Law of the Sea Conference will agree on a 200-mile economic zone in which coastal states will gain increased control over international fishing. Such legislation will have only a minor impact on Japanese fishing since nearly all of its catch is taken in its own, US, and Soviet waters. Bilateral fishing agreements with the Soviet Union and the United States -- both very likely -- would reduce any impact the 200-mile zone would have on Japan. Breakthroughs in fish breeding or krill usage could reduce the impact even further, but both will require the introduction of costly new technologies and are not expected to provide even slight assistance until well into the 1980s.